

98-84367-17

Patterson, Josiah

Speech of
Hon. Josiah Patterson...

[Dallas?]

[1895?]

98-84367-17

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Patterson, Josiah, 1837-

v.5

Speech at Dallas, Texas ... May 11, 1895.

14 p. 23 cm.

Half-title.

Vol. of pamphlets.

Only Ed

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TECHNICAL MICROFORM DATA

FILM SIZE: 35mm

REDUCTION RATIO: 11:1

IMAGE PLACEMENT: IA IIA IB IIB

DATE FILMED: 3-10-98

INITIALS: PB

TRACKING # : 31640

FILMED BY PRESERVATION RESOURCES, BETHLEHEM, PA.

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SPEECH

OF

Annex

Hon. Josiah Patterson,

AT

DALLAS, TEXAS,

SATURDAY, MAY 11, 1895.

SPEECH

OF

HON. JOSIAH PATTERSON,

AT

DALLAS, TEXAS,

Saturday, May 11, 1895.

Mr. President and Fellow-Citizens:

No question is more misunderstood than that of the currency. Superficial knowledge of a subject always tends to error and no one should attempt to teach the people on a subject of purely a scientific and economic nature, unless he is able to throw aside mere partisanship and bring to bear upon it a judgment unswayed by partisan rancor and matured by thoughtful and patient investigation. One difficulty is that most writers and speakers when discussing this question talk over the heads of the people, and therefore fail to make a lodgment. What do you understand to be the meaning of the term free, unlimited and independent coinage of either gold or silver? We now have the free coinage of gold and it means that the holder of gold bullion in any part of the world and in any quantity has the lawful right to take it to the United States mints and have it assayed and coined into dollars, each dollar to contain 23 22-100 grains of pure gold or 25 8 10 grains of standard gold, standard gold being 9-10 pure gold and 1-10 alloy. Now silver is not admitted to free coinage and the contention of those who are opposed to those with whom I am associated on this question, is that the holders of silver bullion in every part of the world and in any quantity should by law have the right to take it to the mints of the United States and there have it assayed and coined into dollars, each dollar to contain 371 $\frac{1}{2}$ grains of pure silver or 413 $\frac{1}{2}$ grains of standard silver, standard silver meaning 9-10 pure silver and 1-10 alloy.

What do you mean when you speak inaccurately of the double standard or accurately of the bi-metallic standard? The term bi-metallic standard means the free coinage of gold and silver on such a relation one to the other, that gold and silver money will remain in concurrent circulation. In order to fully comprehend this the people should understand what is meant by the commercial and coinage ratio. When I say one bushel of peas is worth two bushels of potatoes I mean that the commercial ratio between peas and potatoes is one to two. If you can go to a dealer in gold and silver bullion and exchange one ounce of gold for thirty ounces of silver, that means that the commercial ratio between gold and silver is 1 to 30. Coinage ratio on the contrary is not a commercial but a legal ratio fixed by statute. Suppose congress should pass a law authorizing the free coinage of gold and silver at a ratio of 100 to 1. It is very certain that no holder of silver bullion would take it to the mints to be coined into money at that ratio, because the money as a medium

of exchange for the payment of debts or the purchase of property would not be worth one-third of the bullion which constituted the silver dollar. It would be worth more than three times as much as bullion as it would as money. So the inevitable result would be that silver would be excluded from our mints and nothing but gold would be coined into money. Such a law would as effectually establish the gold standard in the United States as one which positively excludes silver from our mints. On the other hand, let us suppose Congress to pass a law for the free coinage of silver at the ratio of 1 to 5. Is it not equally certain that no holder of gold bullion would go to the mints to have it coined into money, when the bullion in a gold dollar coined at such a ratio would be worth six times as much as the dollar when coined? Is it not absolutely true that such a law would inevitably result in the establishment of a silver standard? Therefore, in order to maintain the bimetallic standard the coinage ratio must correspond with the commercial ratio, and if it varies from it that coin which becomes worth more as bullion than it is as money will retire from circulation and become a mere commodity in the hands of speculators. When Washington was president, Jefferson was secretary of state and Hamilton was the secretary of the treasury; these, the fathers of the republic, considered the subject of the free coinage of gold and silver very carefully. They recognized to the fullest extent the plain and simple principle which I have just explained and took it for granted that unless the coinage ratio corresponded with the commercial ratio that the bimetallic standard could not be maintained. Looking back over the history of gold and silver for more than a hundred years, Hamilton ascertained that the commercial ratio had oscillated around 15 to 1 for more than a century. During all that period one ounce of gold was worth about 15 ounces of silver in the open market. Therefore Hamilton, with the approval of Washington and Jefferson, in the preparation of his act fixed the coinage ratio at 15 to 1, and Congress, in 1792, passed it into law.

It is not necessary for us to go beyond our own experience as a government in order to fully comprehend the difficulties which now lie in our way in an effort to restore the bimetallic standard. I desire to impress upon you that this is not a matter of choice, a mere exercise of the will of the law-making power, but it is one of ability. Those who believe with me would gladly vote for the free coinage of silver at the ratio of 16 to 1 if we believed it would result in the restoration of the bimetallic standard. It is impossible for us to so conclude, and knowing that silver monometallism would result in disaster, we stand in opposition to such a measure.

Now let us trace our experience under the act of 1792. It had not been in force five years until silver declined in the market, and instead of 1 ounce of gold being worth 15 ounces of silver, it was worth 15½ ounces. The effect of this change in the commercial ratio was to make the gold dollar worth 4 or 5 cents more as bullion than it was as money. That is to say, the holder of 1 000 gold dollars could melt them into bullion and sell the bullion for a thousand and forty or fifty dollars. It was impossible for gold to remain in circulation when it was worth more as bullion than it was as money. In 1803, and not after 1834, as deceptively stated in "Coin's Financial School," France fixed her coinage ratio at 15½ to 1 so as to make it conform to the commercial ratio. From that day on until gold was completely eliminated from our circulation, the gold dollars were gathered in by the speculators and sold as bullion in order to make a profit of 4 or 5 cents on the dollar. So completely was gold eliminated from the circulation of the United States under the act of 1792 that the secretary of the treasury during Andrew Jackson's administration reported to Congress that the people of the United States had no gold in circulation for a period of more than twenty years. We hear populists prating around over the country about Grover Cleveland being a gold bug. The fact of history is that

Andrew Jackson was the original gold bug of this country, and did more to establish the gold standard in the United States than all the men of this generation combined. He and his party associates were called the gold party. They did not mince matters. They boldly advocated the changing of the ratio so as to invite gold back into circulation. Not only that, but they purposely undervalued silver at the coinage ratio so as to make it worth more as bullion than it was as money. At that time you could not exchange in the open market 1 ounce of gold for 16 ounces of silver. You could only exchange it for 15.73 ounces of silver. Therefore, when the ratio of 16 to 1 was adopted by congress in 1834, the silver dollar was purposely made worth 3 or 4 cents more as bullion than it was as money.

In this connection I cannot refrain from advertising briefly to "Coin's Financial School." That youngster, having established his school and surrounded himself with learned professors, experienced bankers, merchants with established reputations, learned lawyers and quick-witted editors, all of whom existed only in imagination, after a number of lectures before his school which never existed, finally reached the climax of his book, when he exclaimed:

"By act of congress reduce the number of grains in a gold dollar till it is of the same value as the silver dollar. (Applause.) We can legislate the premium out of gold. (Applause.) Who will say this is not an effective remedy?"

The excuse for this suggestion which seemed to so startle and dumfound his audience is the Act of 1834. That act reduced the pure gold in a gold dollar from 24 7-10 down to 23 22-100 in order to reach the ratio of 16 to 1. Now, when the Act of 1834 was passed, not a dollar of gold was in circulation. It would not have done for Congress to have interfered with the number of grains in a silver dollar, because that would have interfered with existing contracts. It could, with perfect propriety, reduce the grains in a gold dollar so as to change the ratio from 15 to 1 to 16 to 1, without affecting existing contracts, for the purpose of inviting gold to return to this country. We are now at the gold standard. All of our values are measured by the gold dollar containing 23 22-100 grains of pure gold, 2-100 having been added to the gold dollar by the Act of 1837, so as to make it 9-10ths pure gold and 1-10th alloy. So Coin's proposition is to affect existing contracts and for this government of 70,000,000 of people, the most advanced government in the world, having \$600,000,000 or \$700,000,000 of bonds outstanding, given for gold borrowed at the rate of 23 22-100 grains per dollar, to debase its coin by taking out of each dollar it owes nearly one-half the gold it contains and with this fraudulent dollar discharge its obligations, and for all its citizens to do the same thing. Suppose a citizen should bore a hole in the edge of a \$20 gold piece, extract 50 grains and then plug the hole up, he would be consigned to the penitentiary as a felon. Coin would have the United States, in the eyes of Christendom, to become a public malefactor and to set the example in dishonesty for all its citizens. In point of morals, larceny would be a virtue compared with such a crime.

Now let us see the effect of the Act of 1834 on silver. We have already shown how gold went out of circulation under the Act of 1792, because it was worth 4 or 5 cents more on the dollar as bullion than as money. Under the Act of 1834 the reverse of this was true, and the silver dollar was worth 3 or 4 cents more as bullion than as money, and for a like reason silver began at once to retire from our circulation and gold to return to it. In 1828, when Jackson was elected President, we coined only \$140,000 in gold. In 1837, when he retired, we coined over \$4,000,000. In 1845 it had run up to \$23,000,000. In 1850 to \$50,000,000, and every year thereafter until the breaking out of the civil war we coined from \$50,000,000 to \$60,000,000, the whole coinage of gold amounting in the aggregate to about \$800,000,000. In the meantime silver was being so completely eliminated from the circulation that the

people did not have small change. Then it was that the shinplaster era came upon the country and the village blacksmith and the country merchant issued his shinplasters, which performed the office of small money among the people. Such was the demand for small change that Congress had to take the matter in hand, and it passed the Act of 1853 to supply the people with small money. All the half dollars, quarters, dimes and half dimes coined under the Acts of 1793 and 1834 being of full weight had a bullion value which exceeded their money value, and therefore had retired from circulation. In order to keep this small money in circulation the Act of 1853 provided for the coinage of these small pieces at the rate of 384 standard grains to the dollar instead of 412½ as heretofore. This act is now in force and has been since its passage. Under it we have coined nearly \$100,000,000 of this small money, which is a legal tender to the amount of five dollars. It all remains in circulation simply for the reason that it is worth more as money than it is as bullion. It is not generally understood by the people that 50 cents is really not half a dollar. But if any citizen will go to an apothecary's shop and put a silver dollar in one scale and what he thinks are two halves in the other he will find that the dollar will outweigh the two halves 28½ grains, and so will it outweigh four quarters or ten dimes.

We are prepared from this statement of the case, which no intelligent and well-informed man will deny, to assert that this country has never maintained the bimetallic standard for ten consecutive years in any period of its history. After the passage of the acts of 1834 and 1853, this country was absolutely on the gold standard and as effectually so as England is to-day.

The question then presented to the people of Texas and the entire country is this: If gold retired from circulation under the act of 1793 because the bullion in a gold dollar was worth 4 or 5 cents more than the bullion in a silver dollar; and if silver retired from circulation under the act of 1834 because the bullion in a silver dollar was worth 3 or 4 cents more than the bullion in a gold dollar, how is it possible to maintain gold and silver in concurrent circulation under a system of free coinage at the ratio of 16 to 1, when the bullion in a gold dollar is worth 45 cents more than the bullion in a silver dollar? Let me put the proposition in another form. When gold retired under the act of 1793 and silver under the act of 1834, the commercial powers of the world were all attempting to maintain the bimetallic standard, and now not only has silver declined enormously in the market since the ratio of 16 to 1 was established in this country, but there is not a commercial power on earth which has not suspended its free coinage. Is it possible, therefore, if this government could not maintain the bimetallic standard when it had the co-operation of the other commercial powers to do so now, independently, when the rise and fall of silver in the open markets of the world has been greater in the last year than it was in ten centuries prior to 1840?

Let me put the proposition of our free silver friends in another light: It is the policy of all gold countries to maintain the parity of all their money with gold. The truth is a gold standard country might be defined to be a country which maintains all its money, whether silver or paper, on a parity with gold, whereas a silver standard country is one which does not maintain the parity, but leaves its silver coins to stand on their own merits. We will therefore assume that in the event of free coinage at the ratio of 16 to 1, that the silver in the gold countries which is held on a parity with gold would not seek our mints. However, all the silver coins in the silver countries which have a purchasing power only commensurate with their commercial value would immediately seek our mints together with all the uncoined silver in the world on the assumption as contended by our populist friends that we could maintain both metals in concurrent circulation. No man having a thousand Mexican silver dollars would retain them in Mexico where they have only the pur-

chasing power of 50 cents of our money, when he could take them to our mints and have them coined into dollars having the purchasing power of 100 cents of our money. Therefore, free coinage of silver at the ratio of 16 to 1, if it results in the establishment of the bi-metallic standard, must necessarily involve the tremendous feat of practically raising all the silver coins in the silver countries and all the uncoined silver throughout the world 45 per cent. in value. No act of congress can do this. It is simply impossible. It is a monstrous absurdity to think of it, much less to attempt it. It is, fellow-citizens, for these reasons that the president of the United States proclaims to the American people in words which ring like a fire bell at night that the free coinage of silver independently by this country means nothing more, nothing less, than silver monometallism. Disguise it as you may, the real issue is, shall this country maintain its standard of value and all its money on a parity with gold or abandon it and go to the silver basis? I have no patience with the economic quacks who attempt to deceive the people into the belief that this country can maintain the bimetallic standard at 16 to 1. There are, it is true, men of learning, scholars and statesmen to be found in all the advanced countries of the world who maintain with great earnestness and logic that the commercial powers may by co-operation and through an international agreement restore the bi-metallic standard, but there is not one, so far as my knowledge extends, residing in any country or writing in any language who does not combat the idea that any single country may independently accomplish that end. When I say this I do not mean to include such charlatans as the author of 'Coin's Financial School.' Then let us get down to the real issue. Is it better for the American people to adhere to the present standard or abandon it and go to silver monometallism? This, I admit, is debatable ground with the overwhelming weight of argument in favor of the gold standard.

I am tired of mincing words when we talk of standards. The free silver people wherever I have been seem to rejoice in calling me an advocate of the gold standard as if they had made a discovery. Of course I am, in the absence of international co-operation, an advocate of the gold standard, and if my critics would be equally candid they would frankly admit that they were the advocates of the silver standard. As they do not admit it, I would like to propound to the free silver men in this audience a simple inquiry. The bimetallic standard means the free coinage of gold and silver at a ratio which results in maintaining gold and silver in concurrent circulation. No one will deny the correctness of this definition. The question, therefore, which I ask is this: Is there a man in this audience who can name a country in all the world which has the bimetallic standard? Let your minds run over the hemispheres and continents and I defy you to find one. Then the truth is that all the countries are to-day either at the gold or the silver standard, and there is not one where free coinage of silver obtains that is not a silver standard country. I prefer the gold standard for the United States for several reasons. The first reason which influences my judgment is, that looking abroad over the world I do not find a single country where christianity and civilization are progressing, where the arts and the sciences are in the ascendant, where trade and commerce are growing, where schools and colleges flourish, where men and women are comparatively happy, where government is stable and the laboring man earns a good wage for a day's work, that is not on the gold standard. On the other hand, I do not find a country where civilization and christianity are retrograding, where the arts and sciences are backward, where schools and colleges are decaying, where revolutions are perennial, where men and women have no cause to be happy and the laboring man is paid a miserable wage for a day's work, which is not on the silver basis. I do not say that all the highly enlightened christianized and prosperous nations are such because they have the gold standard, but I do say that all such nations have adopted it, demon-

strating that gold is the standard of civilization and christianity, of commerce and of labor. It is true that all progressive governments have adopted the gold standard, and that the unprogressive countries retain the silver standard. As Mexico adheres to implements of industry which the farmers of the United States discarded fifty years ago, so does it adhere to a standard of value which this country, guided by Andrew Jackson, discarded in 1834. I know the statement which I have just made is somewhat startling to free silver advocates, and, therefore, I will name the gold and silver countries of the world: United States, United Kingdom, Russia, Germany, Austria-Hungary, Belgium, Holland, Denmark, Norway, Sweden, France, Spain, Portugal, Switzerland, Italy, Greece, Servia, Roumania, Turkey, Australia, Egypt, Cuba, Canada and Brazil. These are the gold countries of the world. It is true that some of them like Brazil, Russia and Italy have only depreciated paper money, but the standard is gold.

The silver countries are: China, Japan, India, The Straits, Mexico, Central American States, the countries of South America, other than Brazil, and the half-civilized countries of Africa.

Another reason which is controlling with me is, that there is no country in the world which has the gold standard that does not largely use silver in its circulation, whereas there is no silver country which uses gold in its circulation at all. Russia has gone to the gold standard within the last few weeks, and therefore I include Russia with the silver countries when I say that while the silver countries have 200,000,000 more population than the gold countries, yet the gold countries have more silver money in circulation than all the silver countries combined, while the latter have no gold in circulation whatever. I furthermore assert that the United States has more silver in circulation per capita than any silver country on the globe. I merely throw out this for the benefit of those who believe the chief end of man is to have a large per capita circulation, without regard to the character of the money.

But there is another reason which is absolutely conclusive with me. When I was in Washington a few weeks ago I called at the office of the Secretary of State, and, handing in a list of the gold and silver countries of the world, as I have given them to you, I requested that an expert should be put to work on the consular reports sent in to the department from all the countries of the world and make up a table showing the weekly wages paid labor in each country. With this information in my possession I am prepared to assert that there is not a silver country on the globe where a laboring man is paid a good wage for a day's work. At last, fellow-citizens, this is the test of human progress. Labor is the rock on which civilization is built. It is the very ground-work of society. A day's work is the true unit of value. When you test the advancement of a people, their prosperity and happiness, inquire how much will a day's work buy; how much gold, how much silver, how much clothing, how much food, how much of the necessities and luxuries of life? When you find that government where a day's work possesses the greatest purchasing power, there you will find the government of greatest advancement. Why, some of our populist friends point to Mexico as a prosperous country. The truth is that Minister Romero, of that country, in his recent letter to Senator Morgan, of Alabama, says that no greater wage is paid now than was paid when silver had twice the purchasing power. Whenever you see a prosperous business in Mexico it is based on the robbery of labor.

The tables in my possession, made up from the consular reports by the State Department, show that a laboring man in the United States gets for a day's work twice as much in gold as a laboring man in Mexico gets in silver, and the American laborer's dollar has nearly twice the purchasing power as the Mexican's. It will not

do to attribute this altogether to the fact that we are a highly civilized and commercial country, because when you compare Mexico, a silver country, with Cuba, a gold country, both being Spanish, you will find that a laborer in Cuba gets more for a day's work in gold than the same laborer gets in Mexico in silver. Compare England with Russia and reduce the Russian currency to a gold basis; you will find that a laboring man in England gets nearly three times as much for a day's work as he gets in Russia. Go beyond the limits of Christian civilization and compare Turkey, a heathen gold country, with China, a heathen silver country; reduce the silver money in China to gold and you will find that a laborer in Turkey gets about three times as much for a day's work as he does in China.

Our free silver friends are constantly pouring into the ears of the people stock arguments which are baseless claptrap. One of their favorite methods of discussion is to ask a good-meaning man who is not informed on the subject if he cannot purchase as much with a silver dollar as he can with a gold dollar. When he has an affirmative answer, the next question is, why will it not be well for the people to have more silver dollars? It is by this kind of subterfuge and deception that many honest men have been led astray on this subject. The truth is that we maintain silver on a parity with gold by a very simple process, even though it may be a burdensome one. If one of your leading merchants here in Dallas should advertise to the world that hereafter he would accept nickles as dollars for all sums due him and for all goods in his store, but that he would continue to pay dollars on all his obligations, then as long as the people who dealt with him had confidence in his ability and disposition to carry the scheme out in good faith, nickles would be on a parity with dollars in that store. However, as soon as confidence was destroyed in his ability or disposition to carry out the scheme, nickles would again be nickles and dollars would again be dollars. In much the same way does the United States maintain the parity between gold and silver. So far as the small silver is concerned, the half-dollar, the quarter, the dime and the half dime, that is retained in circulation merely as token money and because the people have no other change. Their necessities for small money maintains it on a parity in this country just as it is held on a parity in England. It is proper that I should say in this connection that I would gladly vote for a law giving silver the entire field in our circulation below the denomination of \$10 on the ground that the necessities of the people for money below that denomination will hold it in circulation on a parity without inconvenience to them or the country.

However, we have 422,000,000 silver dollars in our circulation which stand on an entirely different footing. These silver dollars by law are made receivable for all public and private dues. We collect \$500,000,000 in the way of revenues annually and so every silver dollar we have coined can be absorbed each year in the payment of public dues. On the other hand, the United States holds out to the world that it will pay all its obligations in gold. Therefore, it follows as day follows the night that as long as the government of the United States has the disposition and the ability to receive silver for public dues and pay gold on its obligations that the parity will be maintained.

Again an appeal is constantly being made to the farmers about low prices. They are told when silver goes up cotton goes up; when silver goes up wheat goes up, and this is dealt out to the farmers of the country by the silver mine owners with unremitting industry. If the decline in silver causes the decline in the price of cotton and wheat, what is it that causes the rise in the price of corn, oats, cattle, hogs and sheep? They bring a better price than they did ten years ago. Nay, more. Corn, oats, cattle, hogs and sheep bring as much to-day in gold as they did in greenbacks in 1873, when the coinage of the silver dollar was suspended, and with the price the farmer can buy almost three times as much of the

luxuries and necessities of life to-day as he could then. Now, the truth is that wheat is low because in recent years railroads have been constructed through the northwest, Canada, the Argentine Republic, Russia, Siberia, Asia Minor and India, bringing from every quarter wheat into the open markets of the world in competition with our wheat. Then again, we not only had a panic which resulted in closing down the cotton factories, but we have had an enormous crop which resulted in creating a greater supply than the world demanded. I would like to impress every farmer in the south with this fact: For more than a quarter of a century we have struggled to reduce taxation on the necessities of life. That now being accomplished in a very large measure, the American farmer has a cheaper market than he ever knew before. Should this country be forced to the silver basis, it seems to me it would necessarily result in again increasing the tariff rates in order to defray the expenses of the government, because it must be true that the government will require more cheap dollars than it would good dollars to carry on successfully its administration. Sound money and tariff reform are twin sisters and mutually assist each other. Sound money means access to the markets of the world and tariff reform means the breaking down of the barriers which interpose between us and the open markets where we are compelled to sell our cotton. So it is that from Grover Cleveland down you will find the genuine tariff reformers, almost without exception, the friends of a sound and stable currency.

Then our populist friends, or friends with populist tendencies, are constantly pouring it into the ears of the people that we of the south are a debt-ridden people, and that the battle of the standards is only a battle between the avaricious creditor and the weak and helpless debtor. We are indebted to Kansas and Nebraska for this style of argument, and it has but little application to the southern people, as will appear from an inspection of the last census, which shows that Kansas and Nebraska owe \$39,000,000 more in the way of mortgages on real estate than the eleven states which composed the confederacy.

Fellow-citizens, who are the creditors? Our free silver friends would say the bankers are, but I say the depositors are the creditors and the bankers are the debtors. Now, every one knows that the late panic has driven all the gold of the country, amounting to \$500,000,000 or \$600,000,000, into the vaults of the banks. Suppose the country should be driven to the silver basis by the free coinage of silver at 16 to 1, then the banks would pay their depositors in the cheap dollars and retain the gold, making a profit of 45 or 50 cents on the dollar. The result of free coinage would be enormously beneficial temporarily to the banks and hurtful to the depositors, and the banks can have no reason for opposing free coinage, except that in the long run they would be more benefited by a safe and stable currency than they would be by the immediate advantage growing out of the change in our standard of value. The great life insurance companies of this country are carrying life insurance amounting to perhaps \$3,000,000,000. They have been for years converting the premiums paid by the people into gold assets, and yet all their policies are payable in dollars. Now, who are the creditors, the life insurance companies or the policy holders? Suppose the country is driven to the silver basis, is it not absolutely certain that the women and children of the country who hold insurance on the lives of their husbands and fathers will, in the event of death, be paid in depreciated money, and that an enormous profit will result to the companies?

No, fellow-citizens, if I were to name the creditors I would point to all the men and women who work on salaries, and to the toiling millions who work for wages, and I would say, these are the creditors whose debts for which they demand payment at the end of each month amount to a sum equal to the national debt.

Fellow-citizens, permit me to review the recent panic through which we have

passed. I shall not discuss the act of 1873 further than to say that at the time it was passed our currency was depreciated paper, and it was not noticed by the people. Nothing was said about it in either 1874 or 1875, but in 1876 the Latin union, the last of the great commercial powers, suspended the free coinage of silver, and that fact and its greatly increased production affected its price, and it began to decline in the market. Then it was that Senator Stewart of Nevada, who had voted for the act of 1873, in conjunction with Mr. Bland and others, inaugurated the free silver movement in this country. Let us pause for a moment at the threshold of this movement and look backward and then forward for a movement. If I were to ask the farmers of the South to point to the period of their history when they had the greatest prosperity, they would answer from 1850 to 1860, and that was the period in which we were absolutely at the gold standard, and coined nothing but subsidiary silver—small change. Looking forward from 1878, if I were to ask the farmers to point to the period in which they complained most of hard times, they would say for the last sixteen years, and yet that was the period in which we coined nearly all the silver dollars the farmers have ever known. From the day when Washington was inaugurated president, in 1789, down to the passage of the Bland-Allison act in 1878, our fathers coined only 8,031,000 silver dollars, and they all left the country under the operations of the act of 1834, whereas during the past sixteen years, when the farmers complained most, we have coined 422,000,000 silver dollars, or more than fifty times as many silver dollars have been coined by us in sixteen years than our fathers coined in ninety. In February, 1878, the Bland-Allison act was passed, whereby we were required to coin each month not less than 2,000,000 nor more than 4,000,000 silver dollars at the ratio of 16 to one. This law was to continue forever. Take the minimum and it meant 24,000,000 annually, or 240,000,000 every ten years for all time to come. Under the act we coined 388,000,000 silver dollars, and it is certain if it had continued in force it would ultimately have driven us to the silver basis. Nothing is truer than that where a country has sound money and unsound money in concurrent circulation that the sound money will give way and let the cheap money take its place. No American silver dollar has ever left our territorial limits, because here it is held on parity with gold, whereas elsewhere it would go for its commercial value. Drive a nail through the center of a silver dollar and it is only worth a little over 50 cents. Drive a nail through a gold dollar and it is still worth 100 cents. Tried by fire the gold dollar when melted is worth the world over 100 cents. Tried by fire and the silver dollar when melted is worth about 55 cents. From the 1st of January, 1863, till the 1st of January, 1879, covering a period of seventeen years, the American people dug out of the ground and sold to foreign countries gold and silver which if coined into dollars would have made a sum 247,000,000 greater than the very flood-tide of our greenback and national bank circulation. This great fact in our history demonstrates that good money always gives way to bad money, and I have not a doubt that the 422,000,000 of silver dollars which we now have in circulation have in the operations of commerce displaced in our circulation better money.

Mr. Cleveland time and again warned the country during his first administration that the Bland-Allison act would lead to disaster. He was not heeded because at that time the confidence of the people and of the world in our currency was unimpaired. On the 14th of July, 1890, the Bland-Allison act was repealed and the Sherman act was passed, whereby the government was required to purchase 4,500,000 ounces of silver each month. This meant 54,000,000 ounces every year and 540,000,000 ounces every ten years for all time to come. Who, with the experiences through which we have passed, will wonder that commerce under these conditions should have taken alarm? When Mr. Cleveland retired from the presidency on the 4th of March, 1889, such was the confidence in our currency that 90 per cent. of all money

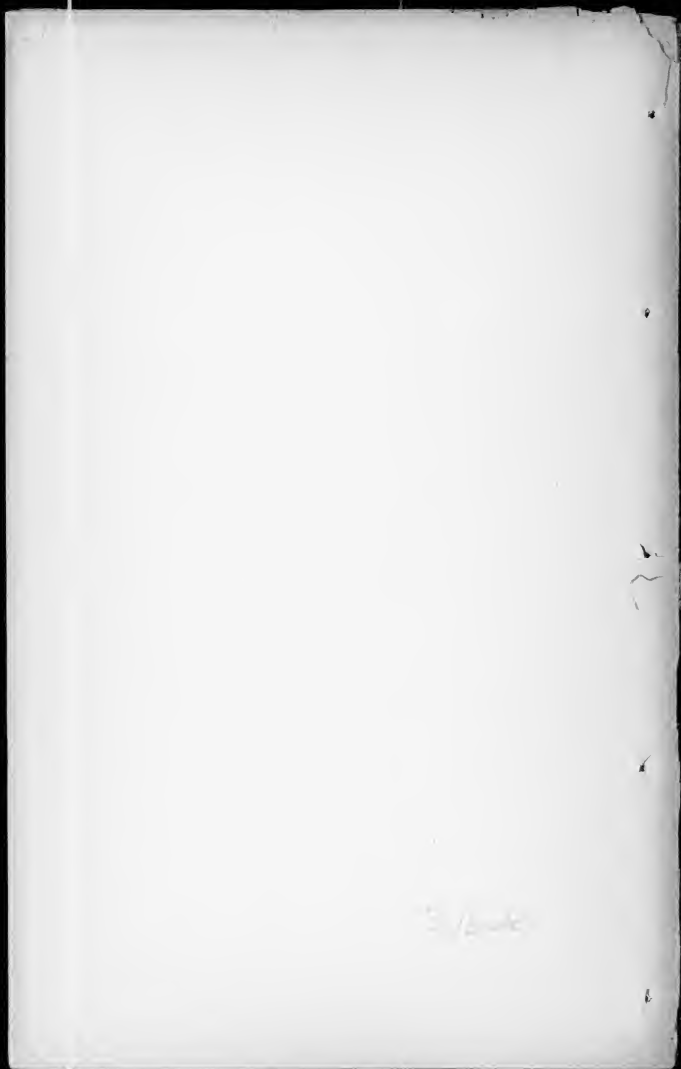
which entered the treasury through the custom houses was paid in gold. On the 1st of January, 1891, it had fallen to 75 per cent. Our securities from abroad then began to seek our markets and by the 1st of January, 1892, it had fallen to 40 per cent. We could then see a cloud in the horizon which forbode that there might be a storm. By the 1st day of January, 1893, the gold receipts amounted to only 8 per cent. of our revenues, and then the rising storm was plainly visible. On the 4th of March, 1893, when Mr. Cleveland was inaugurated a second time, it had fallen to 4 per cent. and you could then hear the mutterings of the thunder and see the lightning's flash as the cyclone approached. By the 1st of April, 1893, the gold receipts had fallen to 2 per cent. and then India suspended the free coinage of silver, and it took a wild leap downward, and gold ceased altogether to flow into the treasury. For sixty days prior to the date on which Mr. Cleveland called Congress into extra session not one grain of gold found its way into the treasury of the United States. The country like a heavily laden ship, storm-ridden and rocking in the trough of an angry sea, was literally swallowed up in the maelstrom of a great financial panic. After a long struggle the purchasing clause of the Sherman law was repealed and immediately some degree of confidence was felt in the pulsations of trade and commerce. Gold again flowed into the treasury, sporadically, one day reaching 50 per cent. of the revenues. Then again Congress reconvened on the 1st of December, and the country was again flooded with free silver literature; such was the opposition that the administration met at the hands of Congress that returning confidence was chilled and gold again ceased to go into the treasury. The whole world seemed to take alarm at the frantic appeals which were then being made for the free coinage of silver, and stagnation ruled in all the markets of trade and commerce. Distrusting our currency, the people drained the gold reserve out of the treasury. It had fallen from \$100,000,000 to \$40,000,000. Mr. Carlisle advertised and sold \$50,000,000 of bonds for gold. The purchasers drew the gold out of the treasury to pay for the bonds, and the treasury secured no relief. Another \$50,000,000 was sold with the same result. At this time the country was in extreme distress and it is a fact that in the open markets of the world a preference was shown for the bonds of the little kingdom of Portugal over the bonds of this great country. Then it was that Mr. Cleveland and Mr. Carlisle called into consultation the greatest bankers of the world. It was their purpose not only to bring gold into the country, but to prevent the gold reserve from further drainage. These bankers offered to purchase at par a 3 per cent. 30 year bond payable in gold or a 4 per cent. bond at \$1.04, payable in coin. This made a difference in the two propositions of \$16,500,000 to the American people. That is to say, if this government would promise to pay that which it borrowed it would make a difference of \$16,500,000 to the people. Whereas, if it promised to pay only in coin it would lose that amount. The President sent his message to Congress laying these facts before it, with the bold and patriotic declaration that he intended to preserve the national honor and defend the national credit at every hazard. Under these conditions the Fifty-third Congress not only blew a hurricane of free silver speeches into the face of the administration, but deliberately voted \$16,500,000 into the gutter rather than to allow the government to make a promise to pay back that which it borrowed. If one farmer borrows from another a bushel of meal and the borrower promises to return a bushel of as good meal, that is considered neighborly and honest, but when a government borrows gold and will have nothing but gold, and nothing but gold will answer its necessities, it is considered an injustice to the people constituting that government to return the thing borrowed. This action of the Fifty-third Congress is only equalled by the author of 'Coin's Financial School,' when he proposes to legislate the premium out of gold by reducing the number of grains in a gold dollar. The bonds were sold at \$1.04 and then because they went up in

price on account of returning confidence, abuse is heaped upon the President. The bankers who took the bonds entered into a solemn contract to keep the foreign exchanges down below the point where it would be profitable to ship gold out of the country and this has resulted in the preservation of the gold reserve intact. Every day since the contract was made these bankers and those who subscribed to the bonds have had a standing offer to sell exchange on foreign countries at such a rate as to make the shipment of gold undesirable. The bankers have borne the expense of this transaction and yet nothing is said about this, and the President is still traduced. Confidence is restored in our currency, prices have gone up, trade has improved, manufactures are in full blast and we have around us all the evidences of returning prosperity. The commercial world attributes this to the bold and patriotic statesmanship of the administration, and yet the advocates of cheap money never tire in their denunciation of the President.

Fellow-citizens, you may be of good cheer, for this country will never in the face of civilization and the enlightened judgment of mankind go to silver monometallism. If I had nothing to animate me but the apprehension that this country would pass an act for the free coinage of silver at the ratio of 16 to 1 I would not be here this evening. It seems to me that the Southern people with whom my fortunes are cast, with whom I was born and raised and in whose history and traditions my heart is bound up, may make a prodigious mistake. If I can read the future a great era of prosperity is awaiting our people. With the tariff reduced, the election laws repealed, sectionalism dead and good will everywhere prevailing, I see the dawn of better days. If we stand by the time-honored doctrines of the Democratic party, tariff reform, local self-government and sound money I see plainly that it will again be in the ascendant and will continue in the future as it did in the better days of the republic to guide the destinies of this great country. This is the vision I see constantly before my eyes, and I know that it will be blasted if the Southern people forget their traditions and their friends and run off after this free silver will o' the wisp. The New England States, New York, New Jersey, Pennsylvania, Delaware, Maryland, Ohio, Indiana, Illinois, Michigan, Iowa, Wisconsin and Minnesota will never vote for the free coinage of silver. It may disrupt the Democratic party in Michigan, Ohio and Illinois, but that is all. These are the great commercial, agricultural and manufacturing States of this Union, and among them are our old allies. There is the seat of empire. They have thirty majority in the Electoral College and forty six majority in the lower House of Congress. To these States we are wedded by the ties of trade and commerce. The States west of the Missouri are all Republican or Populist. They have nothing with us in common. United to them by an unholy alliance which promises to Kansas and Nebraska cheap money with which to pay their debts to the others, two prices for their silver and to ourselves nothing, we cannot control the House and we cannot elect a President. United to them we may control the Senate and prevent remedial financial legislation. We may turn away the approaching tide of prosperity. We may destroy utterly the Democratic party. We are come to the parting of the ways, and the question now is whether we are to stand in the future with those great States which in conjunction with us carried the Democratic party triumphantly into power in 1892 or abandon them and unite our fortunes with the rotten boroughs of the West. Whatever I can do to avert this calamity shall be done. I will never be a party to such a blunder. I am willing to retire to private life, but never will I unite in a movement for cheap money which I know will bring my people to disaster and the Democratic party to unutterable ruin.

One word more, fellow-citizens, and I am done. Grover Cleveland has been to the south 'like a great rock in a weary land.' Bold, honest, patriotic and states-

manlike, he has steadfastly adhered to the principles of the democratic party and to the welfare of a common country. By force of arms, the territorial integrity of the government was preserved, but it remained for Grover Cleveland to restore the union in spirit as our fathers understood it. Under his administration sectionalism has at last departed never again to vex the American people. We of the south have been a proud and sentimental race, true to our traditions and fond of our memories. We never could have been restored to the patriotic impulses which inspired our fathers in their devotion to the union as long as we were held culpable for a history and traditions which we deemed glorious. It was the high and noble mission of Grover Cleveland to make us all feel that in the union we were in the house of our fathers. Everywhere have our honored fellow-citizens been recognized by him according to their merits. In his cabinet four representatives of the south are to be found; one, Mr. Carlisle, who has for twenty-five years stood in the forefront in all the civic battles which have been fought for the restoration of the southern states to their rightful place in the union; one, the son-in-law of a brave confederate officer who fell at Fredericksburg, and the other two old confederate soldiers. All through the departments at Washington do you find our people fully represented. For more than a quarter of a century capital and immigration were warned to remain away from us and we were held up to the execration of mankind. How changed! Go to the Court of St. James and there you will find the American ambassador in the person of a statesman who has always been in sympathy with the struggles of the southern people; go to the Court of France and you will find our ambassador in the person of an old confederate soldier; go to the Court of St. Petersburg and there you will find our ambassador in the person of an old confederate veteran, the son of the lamented John C. Breckinridge; go to the Court of Mexico and there you will find our ambassador in the person of an honored son of North Carolina who commanded a division of confederate soldiers; go to the Court of Turkey, and there on the Bosphorus, surrounded by all the memories of civilization and at a post requiring consummate ability and statesmanship, you will find another confederate soldier in the person of a gallant son of Texas. So it is, there is scarcely a country on the habitable globe where the flag of the republic is not represented by some son of the south whom we all delight to honor. And it is Grover Cleveland whom the populist of the south would dishonor and that free silver advocates would repudiate. Heaven forbid that the southern people should follow such counsels. It is unlike them to do so. I will never believe it until the discussion is ended. I say let it come. When the people of the south fully comprehend the situation and thoroughly understand whither they have been drifting I predict that they will return to their old traditions and will stand fast by the administration of Grover Cleveland. Should this result follow this discussion and the southern states should send sound money delegates to the next national convention, then I predict with a confidence inspired by a hope which is unflagging that the star of the democratic party will again be in the ascendant in 1896.



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TITLE